

**DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**

**COMMAND AUDIT OF  
SAN FRANCISCO AREA**



**FINAL REPORT**

**OCTOBER 21, 2010**

**M e m o r a n d u m**

Date: October 21, 2010

To: Office of the Commissioner  
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Office of Inspector General

File No.: 010.11731.A13471

Subject: FINAL 2009 COMMAND AUDIT REPORT OF THE SAN FRANCISCO  
AREA

In accordance with the *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2009 Command Audit Report of the San Francisco Area. The audit focused on the Driving Under the Influence and Asset Forfeiture Programs of the command.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The San Francisco Area agreed with all of the findings and plans to take corrective action to improve operations.

The San Francisco Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. The Office of Inspector General (OIG) anticipates conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Assistant Commissioner, Field; OIG; Office of Legal Affairs; Golden Gate Division; and the San Francisco Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

***Safety, Service, and Security***

October 21, 2010

In accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the internet website of the CHP, and on the Office of the Governor webpage, located on the state government website.

The OIG would like to thank management and staff of the San Francisco Area for their cooperation during the audit. If you have any questions, or are in need of additional information, please contact me or our Senior Management Auditor, Mr. Roger Ikemoto at (916) 843-3160.



R. J. JONES, Captain  
Interim Inspector General

cc: Assistant Commissioner, Field  
Golden Gate Division  
San Francisco Area  
Office of Legal Affairs  
Office of Inspector General, Audits Unit

*BUSINESS, TRANSPORTATION AND HOUSING AGENCY*

*DEPARTMENT OF CALIFORNIA HIGHWAY PATROL*

*COMMAND AUDIT OF SAN FRANCISCO AREA*

*OFFICE OF INSPECTOR GENERAL, AUDITS UNIT*

*OCTOBER 21, 2010*

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# EXECUTIVE SUMMARY

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The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the San Francisco Area.

The CHP 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the direction of the CHP. One strategic goal is to continuously look for ways to improve the efficiency of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture (AF) Programs. Additionally, this audit provided managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was from January 1, 2008 through September 20, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period February 1, 2009 through July 31, 2009. The audit included a review of existing policies and procedures, as well as examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from September 21 - 25, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the operations in the San Francisco Area, this audit revealed the Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

## **AF Program**

- The AF Coordinator (AFC) of the command was not trained annually by the Division AFC.

## **DUI Cost Recovery Program**

- The command did not always prepare CHP 415, Daily Field Record, forms properly for the DUI Cost Recovery Program.
- The command did not always forward the CHP 735, Incident Response Reimbursement Statement, forms to the Fiscal Management Section (FMS) in a timely manner.
- The command did not reconcile the quarterly DUI Cost Recovery reports received from FMS to their CHP 735 forms.

Please refer to the Findings and Recommendations section for detailed information.

# AUDIT REPORT

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## **INTRODUCTION**

To ensure the California Highway Patrol (CHP) operation is efficient and effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the San Francisco Area.

The CHP 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the direction of the CHP. One strategic goal is to continuously look for ways to improve the efficiency of departmental operations. This audit will assist the CHP in meeting this goal.

## **OBJECTIVE AND SCOPE**

The objective of the audit was to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture (AF) Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through September 20, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period February 1, 2009 through July 31, 2009. This audit included a review of existing policies and procedures, as well as examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work at the command was conducted from September 21 - 25, 2009.

## **METHODOLOGY**

Under the direction of the Office of the Commissioner, each command was randomly selected to be audited regarding DUI Cost Recovery and AF Programs. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings of this command.

## **OVERVIEW**

**AF Program:** The command complied with most state laws and departmental policies and has adequate internal controls for the AF Program. However, the AF Coordinator (AFC) of the command was not trained annually by the Division AFC.

**DUI Cost Recovery Program:** The command was compliant with most state laws and departmental policies and has adequate internal controls for the DUI Cost Recovery Program.

However, the command did not always prepare CHP 415, Daily Field Record, forms properly for the DUI Cost Recovery Program; did not always forward the CHP 735, Incident Response Reimbursement Statement, forms to the Fiscal Management Section (FMS) in a timely manner; and did not reconcile the quarterly DUI Cost Recovery reports received from FMS to their CHP 735 forms.

This audit revealed the command has adequate operations, nevertheless, issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain compliance with appropriate laws, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations that may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; however, an audit may not always detect these limitations.



# FINDINGS AND RECOMMENDATIONS

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## **ASSET FORFEITURE (AF) PROGRAM**

**FINDING 1**            **The AF Coordinator (AFC) of the command was not trained annually by the Division AFC.**

**Condition:**            There was no documented evidence the AFC of the command was trained by the Division in 2008 or 2009. The Area AFC should be trained by the Division AFC on an annual basis.

**Criteria:**            Health and Safety Code Section 11469 states: "Seizing agencies shall implement training for officers assigned to forfeiture programs, which training should be ongoing."

Highway Patrol Manual (HPM) 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 21.a. states:

"a. In order to ensure uniformity throughout the Department, Division AFCs shall receive annual training from the departmental AFC coordinator in FSS. The training will encompass asset forfeiture laws, pending state and/or federal legislation relating to asset forfeiture, departmental policies, and procedures. Division AFCs will in turn provide annual training to Area AFCs, uniformed employees assigned to NTFs, canine handlers, and affected non-uniformed employees involved with asset forfeiture. The training shall be of sufficient duration to ensure full understanding of legal/policy requirements. In addition, Division AFCs should attend Division Area Commanders' Conferences as necessary to provide commanders with an overview of the Department's AFP and any related new legislation or updates to departmental policy."

**Recommendation:**    The command should ensure the AFC of the command is trained annually by the Division AFC to comply with the departmental policy.

## **DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM**

**FINDING 1:**            **The command did not always prepare CHP 415, Daily Field Record, forms properly for the DUI Cost Recovery Program.**

**Condition:**            From a population of 52 CHP 735, Incident Response Reimbursement Statement, billing packages, 28 packages were tested. In 26 (93 percent) of the packages, the CHP 415 forms did not always contain the DUI billable hours and/or the defendant's name.

**Criteria:**

Government Code (GC) Section 13403 (a)(3), (4), and (6) articulate the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4 e.(2)(c) states:

“e. Recording Total Staff Hours. Record the total number of staff hours involved in the incident response.”

“(2) Record the number of staff hours involved in the incident response.”

“(c) The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area offices must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender’s name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record.”

**Recommendation:** The command should prepare CHP 415 forms properly to comply with the departmental policy for the DUI Cost Recovery Program.

**FINDING 2:**            **The command did not always forward the CHP 735 forms to Fiscal Management Section (FMS) in a timely manner.**

**Condition:**            From a population of 52 CHP 735 billing packages, 28 packages were tested. In 16 (57 percent) of the packages tested, the CHP 735 forms were not forwarded to FMS in a timely manner. A delay of 20 to 73 days was observed.

**Criteria:**            GC Section 13403 (a)(3), (4), and (6) articulate the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b. states:

“b. Completion of CHP 735, Incident Response Reimbursement Statement. The cost recovery criterion is separated into two separate sections on the CHP 735, Incident Response Reimbursement Statement: Section A or Section B. Section A shall be completed when the billing is based on arrest. Section B shall be completed when the billing is based on conviction. Forward only those forms which meet ALL the criteria in either Section A or Section B; only one section shall be completed per case.

(1) Completed CHP 735s, Incident Response Reimbursement Statements, based on Section A (refer to Annex B) shall be forwarded to Fiscal Management Section (FMS), Reimbursable Services Unit, within ten business days of one of the following dates:

(a) The date BAC results of .08% or greater are received.

(b) The date BAC results of .04% or greater are received for a commercial driver.

(2) Completed CHP 735s, Incident Response Reimbursement Statements, based on Section B (refer to Annex C) shall be forwarded to FMS, Reimbursable Services Unit, within ten business days of the notification of a conviction of CVC Sections 23152, 23153, or greater offense as a result of one of the following:

(a) In the case of a refusal.

(b) An arrest for drugs only.

(c) A BAC of less than .08%.”

**Recommendation:** The command should forward the CHP 735 forms to FMS in a timely manner to comply with the departmental policy for the DUI Cost Recovery Program.

**FINDING 3:** **The command did not reconcile the quarterly DUI Cost Recovery reports received from FMS to their CHP 735 forms.**

**Condition:** There was no documented evidence indicating the command reconciled the quarterly DUI Cost Recovery report received from FMS to assist in monitoring and timely submission of the CHP 735 forms of the command.

**Criteria:** GC Section 13403 (a)(3), (4), and (6) articulate the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 8, states:

“8. QUARTERLY REPORTS. Fiscal Management Section will send quarterly reports to field commands. These reports are designed to assist in the monitoring and timely submission of the command’s CHP 735, Incident Response Reimbursement Statement, forms. The report notes the date of arrest or conviction, the date the CHP 735, Incident Response Reimbursement Statement, was received in FMS and the billed date. It also provides the number of days between the arrest or conviction date and date the CHP 735, Incident Response Reimbursement Statement, was received in FMS. Field commands are responsible for ensuring the CHP 735, Incident Response Reimbursement Statement, is submitted in accordance with paragraphs 3 and 4 of this chapter.”

**Recommendation:** The command should reconcile the DUI Cost Recovery report received from FMS on a quarterly basis to their CHP 735 forms to comply with the departmental policy for the DUI Cost Recovery Program.

## CONCLUSION

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Based on the review of the operation of the San Francisco Area, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

# **ANNEX**

## **A**

## Memorandum

Date: October 4, 2010

To: Office of Inspections

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Golden Gate Division

File No.: 301.12877.11327.A8970

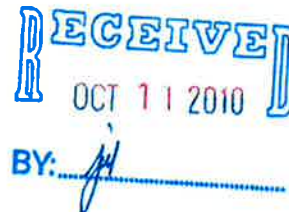
Subject: RESPONSE TO DRAFT 2009 SAN FRANCISCO AREA COMMAND DUI  
COST RECOVERY/ASSET FORFEITURE AUDIT

Golden Gate Division has reviewed the attached response to the draft Command audit report of San Francisco Area and concurs with the Commander. As outlined on the CHP 680A, Exceptions Document, all findings requiring follow-up have been addressed and all recommendations were implemented. This memorandum will serve as a final report and no quarterly updates will be necessary.

Should you require further information regarding the contents of this memorandum, please contact Assistant Chief Sue Ward at (707) 648-4180.

  
T. M. BECHER, Chief

Attachments



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# **ANNEX**

## **B**



**M e m o r a n d u m**

Date: October 1, 2010

To: Golden Gate Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
San Francisco Area

File No.: 335.12544.10-0346

Subject: RESPONSE TO DRAFT 2009 COMMAND AUDIT REPORT OF THE SAN FRANCISCO AREA

This memorandum is intended to serve as the written response to the Draft 2009 Command Audit of the San Francisco Area as required by the Office of Assistant Commissioner, Inspector General's memorandum dated August 18, 2010.

**FINDINGS REQUIRING FOLLOW-UP:****Asset Forfeiture Program****Finding 1 – Agree.**

Response: While the finding is correct that the Division Asset Forfeiture Coordinator (AFC) did not provide the Area AFC with training in 2008 and 2009 the Area AFC was trained. Prior to reporting to the San Francisco Area Sergeant J. P. Ward #11041, had been the state-wide Asset Forfeiture Instructor. Sergeant Ward's extensive experience in asset forfeiture allowed him to ensure proper procedures were followed by Area.

Corrective Action Plan: On September 30, 2010, the Area AFC attended the Annual Division Asset Forfeiture Training (see attached training roster).

**Driving Under the Influence (DUI) Cost Recovery Program****Finding 1 – Agree.**

Proposed corrective plan: The San Francisco Area prepared a series of briefing items designed to provide refresher training and reminders of the correct procedures for this program. These briefing items are re-issued each quarter.

Review: A review of the last 90 days indicates the correct procedure is being followed.

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**Finding 2 – Agree.**

Proposed corrective plan: The DUI Cost Recovery Officer has been trained and understands the correct procedures

Findings: A review of the last 90 days revealed of the 10 cases submitted, only one case was submitted beyond the 30 days to FMS.

**Finding 3 – Agree**

Proposed corrective plan: The DUI Cost Recovery Officer has been trained and understands the correct procedures

Findings: The second quarter DUI Cost Recovery report from FMS was reconciled with the respective CHP 735 forms. This was accomplished and tracked on a CHP 735a, CHP DUI cost recovery program Case Log.



PAUL FONTANA, Captain  
Commander

Attachment



Golden Gate Division  
Area Asset Forfeiture Training  
September 30, 2010

	Name	Rank	I.D. Number	Area
26.	GARY HAGEN	SGT	12162	340
27.	BRANDON VANDERBERG	OFFICER	17865	340
28.	RICHARD SHAW	SGT	13459	340
29.	BRIAN D. SPRANG	SGT.	14378	366
30.	SHAWN MORRIS	SGT	16859	375
31.	Sherril Jarna	SGT.	12538	320
32.	DAVID BARTLETT	SGT	11719	320
33.	MARK RHODES	OFFICER	17766	375
34.	CHRIS WAHL	OFFICER	15437	365
35.	DARWIN LEE	OFFICER	11644	365
36.	SCOTT YOX	SGT	16394	345
37.	GABRIEL VEGA	OFFICER	18411	345
38.	Fabio Serrato	OFFICER	18430	370
39.	GERARDO SERRATO	OFFICER	18437	370
40.	LAMONTE BOSCO	OFFICER	18186	316
41.	SAM BAILEY	SGT	9917	316
42.	WILLIAM BRADSHAW	SGT	16663	370
43.	ROBERT MOTA	SGT	13920	360
44.	DAVID THOMAS	OFFICER	16000	360
45.	CURT LUBISZEWKI	OFFICER	11631	360
46.	TONY TAM	OFF	14739	335
47.	NICK SILVA	OFF	17453	350
48.	GILBERT OSUNA	SGT.	12199	350
49.	LOR. MARINO	SGT	11546	390
50.	Diana McDermott	SGT	11827	350
	PATRICK ENSLEY	OFFICER	17309	325
	Teresa Salinas	AGPA	15449	HQ